IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.531 OF 1998

The Commissioner of Income-tax ..Applicant.
V/s.
M/s.Rajura Refeacftories of Pipes
Pvt. Ltd. ..Respondent.

Mr.A.S.Rao for applicant.

CORAM : V.C. DAGA AND
J.P.DEVADHAR, JJ.

DATED : 21ST MARCH, 2005.

P.C. :-

1. Heard the learned counsel for the applicant. The Tribunal has referred question for the opinion of this Court reading as under :-

> " Whether, on the facts and in the circumstances of the case, the Tribunal was justified in law in holding that amount of Rs.1,25,327/- being the subsidy received by the assessee under the Subsidy Scheme 1971 from the Central Government could not be taken into consideration so as to reduce the 'actual cost' as defined in section 43(1) of the Income-tax Act, 1961 for the purpose of computing the admissible depreciation on factory building and plant and machinery and investment allowance on the plant and machinery ? "

2. The above question has already been answered by the Apex Court in the case of **C.I.T. V/s. P.J. Chemicals Ltd. [(1994) 210 I.T.R. 830 (S.C.)** in the affirmative i.e. in favour of the assessee and against the revenue. In this view of the matter, reference stands disposed of in terms of that Judgment with no order as to costs.

(V.C. DAGA, J.)

(J.P.DEVADHAR, J.)